RECORD AND BRIEFS

No. 15-1293

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IN THE

Supreme Court of the United States

MICHELLE K. LEE, DIRECTOR, UNITED STATES PATENT AND TRADEMARK OFFICE,

Petitioner,

v.

SIMON SHIAO TAM,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF OF *AMICUS CURIAE* ON BEHALF OF THE INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF RESPONDENT

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INTERESTS OF THE *AMICUS CURIAE*[1]

Founded in 1878, *amicus curiae* the International Trademark Association ("INTA") is a not-for-profit global organization dedicated to the support and advancement of trademarks and related intellectual property. INTA has more than 7,000 member organizations from 190 countries. Its members include trademark and other brand owners, as well as law firms and other professionals who regularly assist brand owners in the creation, registration, protection, and enforcement of their trademarks. All INTA members share the goal of promoting an understanding of the essential role that trademarks play in fostering effective commerce, fair competition, and informed decision-making by consumers.

INTA was founded in part to encourage the enactment of federal trademark legislation

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[1] Pursuant to Supreme Court Rule 37.6, this brief was authored solely by INTA and its counsel, and no part of this brief was authored by counsel for a party. No party or counsel for a party, nor any other person or entity other than *amicus curiae*, its members, and its counsel, made a monetary contribution intended to fund the preparation or submission of this brief. Pursuant to Supreme Court Rule 37.3(a), both parties have filed letters with the Clerk of the Court consenting to the filing of *amicus* briefs.

following invalidation on constitutional grounds of the United States' first trademark act. Since then, INTA has been instrumental in making recommendations and providing assistance to legislators in connection with major trademark and related legislation. INTA also has participated as *amicus curiae* in numerous cases in this Court and other courts across the country involving significant Lanham Act issues.[2] Moreover, INTA's members are frequent participants in litigations in courts and in administrative proceedings before the United States Patent and Trademark Office ("PTO") and Trademark Trial and Appeal Board ("TTAB") with respect to actions brought under the Lanham Act, and therefore are interested in the development of clear, consistent and equitable principles of trademark law.

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[2] Recent Supreme Court cases in which INTA has filed amicus briefs include, without limitation: *B & B Hardware, Inc. v. Hargis Industries, Inc.*, 135 S. Ct. 1293 (2015); *Hana Financial, Inc. v. Hana Bank*, 135 S. Ct. 907 (2015); *POM Wonderful LLC v. Coca-Cola Co.*, 134 S. Ct. 2228 (2014); *Lexmark International, Inc. v. Static Control Components, Inc.*, 134 S. Ct. 1377 (2014); *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013); *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004); *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003); and *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

INTA has a particular interest in this case because it concerns a matter of utmost concern to INTA and its members: the registrability of trademarks under the Lanham Act. Although INTA in no way condones or supports trademarks that disparage persons, institutions, beliefs, or national symbols, INTA and its members have a strong interest in ensuring consistent application of the Lanham Act, including those provisions governing trademark registrations. Brand owners invest significant time, effort, and expense in developing and clearing trademarks for use and registration, and need clear guidance and predictability about which trademarks will be registrable. This need is undermined by the vague and imprecise nature of the "may disparage" provision of Section 2(a) of the Lanham Act, which has been inconsistently interpreted and applied.

INTA and its members also have a strong interest in ensuring the proper interpretation and construction of the Lanham Act. In this regard, INTA believes that the Federal Circuit properly determined that trademark registrations are not government speech, but erred by concluding that the disparagement provision of Section 2(a) does not regulate commercial speech. INTA believes that trademarks are inherently commercial in nature; indeed their principal purpose is to identify to consumers the source or sponsorship of goods and services used in commerce. Accordingly, trademarks should be viewed as commercial speech, and laws affecting or restricting the use of trademarks should be subject to intermediate scrutiny.

INTA and its members likewise have a strong interest in clarifying that, contrary to the suggestion of the Federal Circuit, Section 43(a) of the Lanham Act is available to protect a word or term regardless of whether it is a registered trademark. Whereas claims under Section 32 of the Lanham Act expressly are limited to federally registered marks, Section 43(a) contains no such requirement, and instead is available where "*any* word, term, name, symbol, or device, or any combination thereof" is used in a manner that is false, misleading, or deceptive to consumers. 15 U.S.C. § 1125(a) (emphasis added).

To be clear, INTA in no way condones disparaging, offensive, or hateful speech. INTA also acknowledges that the government has an interest in protecting consumers from hateful speech in the commercial marketplace, and a Congressional restriction against registrations of trademarks that constitute hate speech may well survive intermediate scrutiny. However, for the reasons explained more fully below, the "may disparage" provision of Section 2(a), as drafted, is unconstitutional.

SUMMARY OF THE ARGUMENT

The Federal Circuit correctly determined that the "may disparage" provision of Section 2(a) of the Lanham Act does not pass constitutional scrutiny—but that failure is due to the provision's vagueness. Over the years, the PTO has demonstrated, through inconsistent application, that the current Lanham Act prohibition against registration of disparaging marks cannot be implemented in a predictable and/or objective fashion. Moreover, the TTAB itself has conceded that the guidelines for identifying a disparaging mark are "somewhat vague." *In re Hershey*, 6 U.S.P.Q.2d 1470, 1471 (T.T.A.B. 1988). As a result, the disparagement provision raises the risk of—and indeed has resulted in—arbitrary application that may adversely impact brand owners. Although INTA does not condone disparaging, offensive, or hateful speech, the "may disparage" provision of Section 2(a), as drafted, is void for vagueness.

With respect to the constitutionality of the disparagement provision under the First Amendment, strict scrutiny is not the appropriate standard. Because trademarks serve an inherently commercial purpose—identifying the source of goods and services in commerce—trademarks should be viewed as commercial speech. Although the Federal Circuit largely recognized the inherently commercial nature of trademarks, the majority erred in concluding that commercial and expressive speech were "inextricably intertwined" in the SLANTS mark. Because a trademark, "taken as a whole," serves a commercial purpose—

and because trademark law does not protect any expressive message separate and apart from its function as a source identifier—trademark laws should be subject to intermediate scrutiny. Moreover, strict scrutiny is unwarranted because the denial of a trademark registration does not restrict speech; terms that have been refused registration may still be used for expressive (or commercial) purposes.

The Federal Circuit did correctly conclude that issuance of a trademark registration is not an act of government speech. To the contrary, issuing a trademark registration is merely a regulatory function and does not involve any expressive activity from the government. The trademark owner creates and controls the mark, along with any message a mark conveys. Moreover, the suggestion that registration would cause the public to identify a trademark with the government is antithetical to the entire purpose of a trademark—to identify the source of goods or services. Accordingly, the government speech doctrine is not applicable to trademark registration.

Finally, to the extent the Federal Circuit suggested that owners of unregistrable marks may not separately seek relief under Section 43(a) of the Lanham Act, INTA respectfully disagrees. This suggestion has no support in the Lanham Act text or legislative history and is contrary both to the text and years of precedent. Accordingly, this Court should confirm that Section 43(a) is available to protect marks that provide a source-identifying

function, regardless of whether the mark is registrable.

ARGUMENT

I. THE "MAY DISPARAGE" PROVISION OF LANHAM ACT SECTION 2(A) IS VOID FOR VAGUENESS

"A fundamental principle in our legal system is that laws which regulate persons or entities must give fair notice of conduct that is forbidden or required." *F.C.C. v. Fox Television Stations, Inc.*, 132 S.Ct. 2307, 2317 (2012). Despite longstanding efforts by the PTO, decades of attempts by that body and trademark applicants to discern what constitutes a trademark that "[c]onsists of or comprises . . . matter which may disparage . . . persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute" show that the "may disparage" provision of Lanham Act Section 2(a) is impermissibly vague. 15 U.S.C. § 1052(a). Accordingly, the Court should declare the "may disparage" provision void for vagueness under the Fifth Amendment to the U.S. Constitution.

"Th[e] requirement of clarity in regulation is essential to the protections provided by the Due Process Clause of the Fifth Amendment." *Fox Television Stations*, 132 S.Ct. at 2317. Where, as here, a regulation implicates speech, this Court has identified three discrete due process concerns:

> [F]irst . . . regulated parties should know what is required of them so they may act accordingly; second, precision and guidance are necessary so that those enforcing the law do not act in an arbitrary or discriminatory way[; and third,] rigorous adherence to those requirements is necessary to ensure that ambiguity does not chill protected speech.

Id. Lanham Act Section 2(a) and the PTO's internal regulations on their face show that, even if examiners and courts apply the utmost care, the "may disparage" provision cannot be implemented in a predictable, objective, and evenhanded way. The many inconsistent outcomes that the PTO has reached over the years concerning what "may disparage" under Section 2(a) provide additional evidence that the standard is unpredictable and unworkable. The vagueness of the "may disparage" provision has led to uncertainty among brand owners, with the greatest potential impact on small brand owners.

A. The Text of the "May Disparage" Provision in Section 2(a) and Its Application by the PTO Do Not Provide Adequate Guidance for Applicants or Examiners

The text of the "may disparage" provision itself provides little guidance to applicants and trademark examiners. Section 2(a) provides that:

> No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—
>
> (a) Consists of or comprises . . . matter which may disparage . . . persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute . . .

15 U.S.C. § 1052.[3] The statutory prohibition on the registration of marks that "*may* disparage" persons, institutions, beliefs, or national symbols on its face is overly broad, making it difficult to understand what is prohibited or how the statute will be applied. Read literally, the statutory language could sweep broadly enough to prevent registration of all marks that incorporate even gentle critique or

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[3] INTA has endorsed the harmonization of state trademark law with the Lanham Act by encouraging states to enact INTA's Model State Trademark Bill (the "Model Bill"). *See* INTA Model Laws and Guidelines, *http://www.inta.org/Advocacy/Pages/ModelLawsandGuidelines.aspx* (retrieved on December 14, 2016). The Model Bill contains language similar to the "may disparage" provision of Section 2(a) of the Lanham Act. INTA recognizes that any infirmities applicable to Lanham Act Section 2(a) also likely apply to the laws of states that have adopted the Model Bill.

satire of any individual, group, faith, or national symbol.

"[A]uthoritative constructions sufficiently illuminating the contours of an otherwise vague prohibition," may save an otherwise impermissibly vague statute from constitutional infirmity. *Dombrowski v. Pfister*, 380 U.S. 479, 490-91 (1965). The TTAB's construction of the "may disparage" provision does not sufficiently illuminate the contours of the prohibition to save the provision. The TTAB applies a two-part test in determining whether a mark may disparage:

> (1) What is the likely meaning of the matter in question, taking into account not only dictionary definitions, but also the relationship of the matter to the other elements in the mark, the nature of the goods or services, and the manner in which the mark is used in the marketplace in connection with the goods or services; and
>
> (2) If that meaning is found to refer to *identifiable persons, institutions, beliefs or national symbols*, whether that meaning *may be disparaging to a substantial composite of the referenced group.*

Trademark Manual of Examining Procedure ("TMEP") § 1203.03(b)(i) (7th ed. Oct. 2016) (emphasis added).

Far from illuminating the contours of the prohibition in Section 2(a), the TMEP compounds

the ambiguity in a way that gives individual examiners little guidance and almost unbridled discretion in the application of the rule. Even the TTAB itself concedes that, despite its efforts to articulate a workable standard, the guidelines for determining whether a mark may disparage are "somewhat vague," and any such determination is "highly subjective." *In re In Over Our Heads, Inc.*, 16 U.S.P.Q.2d 1653, 1653 (T.T.A.B. 1990) (quoting *In re Hershey*, 6 U.S.P.Q.2d at 1471). As Judge O'Malley observed in her concurring opinion in *Tam*, an examiner can reject an application under the "may disparage" provision if the mark "only *potentially disparage[s]* a subset of *any group* as long as that group can be 'identifi[ed].'" *In re Simon Shiao Tam*, 808 F.3d 1321, 1359 (Fed. Cir. 2015) (en banc) (O'Malley, J., concurring) (second alteration in original) (citation omitted).

The dangers of "arbitrary and discriminatory application" attendant to the vague language of the "may disparage" prohibition are exacerbated because the provision is most often applied by a single PTO examiner in *ex parte* proceedings. *See Grayned v. City of Rockford*, 408 U.S. 104, 108-09 (1972). PTO examiners must determine: (a) the likely meaning of the mark in question; (b) whether that meaning refers to "identifiable persons, institutions, beliefs or national symbols," and if so, (c) "whether that meaning may be disparaging to a substantial composite of the referenced group," TMEP § 1203.03(b)(i)—all without the benefit of being presented evidence through an adversarial process. Even if examiners are able to undertake their review with the utmost diligence, insufficient

clarity around the standard makes it impossible to implement the "may disparage" provision in a predictable, objective, and evenhanded way.

The Federal Circuit and numerous *amici* have extensively documented the inconsistent application and varying results of the "may disparage" provision. *Compare, e.g.*, App. Ser. No. 85/077647 (denying application for HAVE YOU HEARD SATAN IS A REPUBLICAN as disparaging) *with*, App. Ser. No. 85/525,066 (not refusing the mark DEVIL IS A DEMOCRAT as disparaging; application abandoned after publication for other reasons); *see also Tam*, 808 F.3d at 1342 n.7 (gathering examples). The PTO appears to have particular challenges applying the "may disparage" provision in a predictable way to applications, like Mr. Tam's, that seek registration for "reclaimed slurs." *Compare, e.g.*, DYKES ON BIKES, Reg. No. 3,323,803 (initially rejected as disparaging, but later accepted for registration after applicant submitted evidence that "dyke" can be used as a source of pride for the LGBT community) *and* F•A•G FABULOUS AND GAY, Reg. No. 2,997,761, *with* MARRIAGE IS FOR FAGS, App. Ser. No. 77/477549 (rejected on the ground that it may disparage persons, institutions, beliefs, or national symbols), *and* THE SLANTS, App. Ser. No. 85/472044.

B. The Vagueness of the "May Disparage" Provision and the PTO's Implementation of It Adversely Impacts Brand Owners

The Lanham Act "confers important legal rights and benefits on trademark owners who register their marks." *B&B Hardware v. Hargis Indus.*, 135 S.Ct. 1293, 1300 (2015) (internal quotation marks and citation omitted). Even assuming that protection exists under Section 43(a) for trademarks that "may disparage,"[4] uncertainty concerning the registrability of a trademark nevertheless may have a significant effect on brand owners' willingness to invest in a brand—an effect that is particularly concerning because it falls disproportionately on small businesses which, unlike large brand owners, often lack the resources to pursue extended trademark prosecution, much less through the appeals process. As the Federal Circuit noted in its opinion, "[i]n many cases, as soon as a trademark examiner issues a rejection based upon disparagement, the applicant immediately abandons the trademark application." *Tam*, 808 F.3d at 1343.

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[4] INTA believes the Federal Circuit erred by asserting that a trademark is not protectable pursuant to Lanham Act Section 43(a) if it is unregistrable due to the "may disparage" provision. *See infra* part IV.

II. Because Trademarks Are Commercial Speech, and Section 2(a) Does Not Foreclose Expressive Speech, Section 2(a) Should Be Reviewed Under Intermediate Scrutiny

The Federal Circuit applied strict scrutiny to Section 2(a)'s "may disparage" provision, while also holding that the provision failed intermediate scrutiny. INTA strongly opposes the application of strict scrutiny to trademark laws and regulations. To the extent the Court considers whether Section 2(a) survives First Amendment scrutiny, intermediate scrutiny should be applied for two reasons.

First, because trademarks serve an inherently commercial purpose—to identify the source of goods and services in commerce—trademarks are commercial speech properly subject to intermediate scrutiny. The addition of a private expressive message to a commercial source-identifying trademark does not convert the "speech taken as a whole" to an expressive message. *See Riley v. Nat'l Fed'n of the Blind of N.C., Inc.*, 487 U.S. 781, 796 (1988). The Federal Circuit erred when it incorrectly concluded that commercial and expressive speech were "inextricably intertwined" in the SLANTS mark.

Second, strict scrutiny is unwarranted because denial of a registration does not restrict anyone from using the term "slants" in expressive or commercial speech. This distinguishes the instant

case from those cited by the *Tam* majority involving a burden on free speech.

A ruling that imposes an inappropriately high burden on the government's authority to regulate trademarks, or that disturbs the balance between the need to regulate trademarks as commercial signals and the right of trademark owners to free speech risks far-reaching unintended consequences. The more deferential intermediate scrutiny standard applicable to commercial speech best ensures the appropriate balancing of these interests.

A. Trademarks Are Commercial Speech, Restrictions on Which Are Subject to Intermediate Scrutiny

A trademark is a commercial designation used "to identify and distinguish" the goods of a person. 15 U.S.C. § 1127. Trademarks function to identify a single source for goods or services, to indicate the quality level of goods or services, and to serve as a prime instrument for the advertising and sale of goods or services. J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 3:2 (4th ed. 2016) [hereinafter "McCarthy"]. Without trademarks, "informed consumer choice, and hence meaningful competition in quality, could not exist." *Id.* § 3:5 (quoting *Smith v. Chanel, Inc.*, 402 F.2d 562, 566 (9th Cir. 1968)).

It is equally important to recognize that trademark law does not protect the expressive message conveyed by a trademark. As explained

more fully below, trademark law consistently *distinguishes* between the commercial source-identifying function of a mark, which trademark law protects, and the expressive component, which it does not.[5]

Before the *Tam* opinion, it was well settled that trademarks and trade names were commercial speech and "nothing more." *See Friedman v. Rogers*, 440 U.S. 1, 11 (1979) (observing that trademark protections involve "a form of commercial speech and nothing more"); *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 535 (1987) (recognizing trademarks as "commercial speech" that receive "a limited form of First Amendment protection" (internal quotation marks and citation omitted)). The contention that trademarks are commercial speech is neither controversial nor contested. Indeed, all of the *Tam* Federal Circuit judges agreed that trademarks are commercial speech. *See* 808 F.3d at 1338 (majority opinion); *id.* at 1365 (Dyk, J., concurring in part and dissenting in part)[6]; *id.* at 1376 (Reyna, J., dissenting).

Although the *Tam* majority conceded that trademarks historically have been considered

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[5] See, *infra*, part II.B, at 23-24 & n.10, 11.

[6] Judge Lourie joined in Judge Dyk's concurring opinion, but in his dissent questioned whether a trademark is "speech" at all. *Id.* at 1375.

commercial speech, it nonetheless applied strict scrutiny, reasoning that the SLANTS mark included an expressive message. This application ignores decades of established precedent treating trademarks as commercial speech, and is inconsistent with the fundamental commercial purpose of trademarks.

B. Adding Private Speech to Commercial Speech Does Not Trigger Strict Scrutiny

Even though this Court historically has reviewed commercial speech restrictions under intermediate scrutiny, the *Tam* majority nonetheless applied strict scrutiny primarily[7] because it concluded that the SLANTS trademark "inextricably intertwined" commercial and expressive private speech.[8] 808 F.3d at 1339. This

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[7] The *Tam* majority also cited *Sorrell v. IMS Health Inc.*, 564 U.S. 552 (2011), in support of the application of "heightened scrutiny," implying this meant strict scrutiny. 808 F.3d at 1338. But *Sorrell* did not apply strict scrutiny, explaining that, because the challenged statute failed the commercial speech test, "there is no need to determine whether all speech hampered by [the challenged statute] is commercial." *Sorrell*, 564 U.S. at 571-72.

[8] Aware that this conclusion was unusual, if not unprecedented, the *Tam* majority observed that, even though "marks often have an expressive

conclusion was based on a misreading of *Riley*. Mr. Tam's addition to his mark of an expressive component, even a political component, does not change the mark's commercial character and should not change the traditional level of scrutiny used for commercial speech.

This Court has consistently rejected the *Tam* majority's premise that strict scrutiny applies when the speech in question mixes a commercial component and a private expressive component. In *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557 (1980), this Court established the now well-known judicial test for evaluating the constitutionality of restrictions on commercial speech under intermediate scrutiny. *Central Hudson* concerned a New York Public Service Commission regulation prohibiting utilities from promoting consumption of electricity. Recognizing that advertising was commercial speech, this Court struck down the subject regulation under intermediate scrutiny. *Id.* at 567-71.

In a concurring opinion, Justice Stevens argued—much in the way the *Tam* court held—that the restriction at issue should be subject to strict scrutiny because it regulated speech with a mixed

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aspect over and above their commercial-speech aspect," *id.* at 1338, "[c]ourts have been slow to appreciate the expressive power of trademarks." *Id.* at 1327.

commercial and expressive purpose. As a result, Justice Stevens believed this mixed speech was "entitled to the maximum protection afforded by the First Amendment." *Id.* at 579.

Given the parallels between Justice Stevens's approach and that of the Federal Circuit here, the *Central Hudson* majority's rejection of Justice Stevens's approach is particularly instructive:

> Apparently [Justice Stevens's] concurring opinion would accord full First Amendment protection to all promotional advertising that includes claims "relating to . . . questions frequently discussed and debated by our political leaders." . . .
>
> [W]e think it would blur further the line the Court has sought to draw in commercial speech cases. It would grant broad constitutional protection to any advertising that links a product to a current public debate. But many, if not most, products may be tied to public concerns with the environment, energy, economic policy, or individual health and safety. We rule today . . . that utilities enjoy the full panoply of First Amendment protections for their direct comments on public issues. There is no reason for providing similar constitutional protection when such statements are made only in the context of commercial transactions.

Id. at 562 n.5 (second alteration in original) (citations omitted).

The Court reiterated that point three years later in *Bolger v. Youngs Drug Products Corp.*, 463 U.S. 60 (1983), striking down a federal law prohibiting the mailing of unsolicited advertisements for contraceptives. Although the advertisements at issue contained "discussions of important public issues," the Court properly treated them as commercial speech and therefore refused to apply strict scrutiny:

> The mailings constitute commercial speech notwithstanding the fact that they contain discussions of important public issues . . . . We have made clear that advertising which "links a product to a current public debate" is not thereby entitled to the constitutional protection afforded noncommercial speech. A company has the full panoply of protections available to its direct comments on public issues, so there is no reason for providing similar constitutional protection when such statements are made in the context of commercial transactions.

Id. at 67-68 (quoting *Central Hudson*, 447 U.S. at 562 n.5) (footnotes omitted).

Rather than follow this clear precedent, the *Tam* majority relied on *Riley* to justify its application of strict scrutiny. *See Tam*, 808 F.3d at 1339. In *Riley*, this Court struck down a North Carolina law that required professional fundraisers

to submit to potential donors a written disclosure of the percentage of their collections in the past year actually received by the charities that hired them. This Court applied strict scrutiny because the added disclosure (which the Court assumed to be commercial speech) was "inextricably intertwined" with the underlying donation requests, which the Court had already held in several earlier cases to be private speech protected by strict scrutiny. *Riley*, 487 U.S. at 796. The addition of a commercial disclosure did not change the "nature of the speech taken as a whole," which was the private solicitation of a donation to a charitable cause. *Id.*

The *Tam* majority's reliance on *Riley* is misplaced for reasons that this Court explained in *Board of Trustees v. Fox*, 492 U.S. 469 (1989). That case involved a New York statute prohibiting private commercial enterprises from selling housewares at "Tupperware" parties on the state university campus. Students challenged the statute as a violation of their First Amendment rights. Because attendees at the parties "proposed a commercial transaction," *id.* at 473, the Supreme Court applied the *Central Hudson* commercial speech standards. The Court rejected the argument of the students who, like the majority in *Tam*, relied on *Riley* to support their contention that strict scrutiny should apply because the commercial speech (sales pitches for the household products) was "inextricably intertwined" with "pure" speech touching on other subjects, such as how to be financially responsible and run an efficient home. *Id.* at 474.

Writing for the majority in *Fox*, Justice Scalia distinguished *Riley* with observations directly relevant here:

> [In *Riley*], the commercial speech (if it was that) was "inextricably intertwined" because the state law *required* it to be included. By contrast, there is nothing whatever "inextricable" about the noncommercial aspects of these presentations. No law of man or of nature makes it impossible to sell housewares without teaching home economics, or to teach home economics without selling housewares. Nothing in the resolution prevents the speaker from conveying, or the audience from hearing, these noncommercial messages, and nothing in the nature of things requires them to be combined with commercial messages.
>
> Including these home economics elements no more converted AFS' presentations into educational speech, than opening sales presentations with a prayer or a Pledge of Allegiance would convert them into religious or political speech. . . . We discuss this case, then, on the basis that commercial speech is at issue.

492 U.S. at 474-75 (citations omitted). This Court's limitation of *Riley* to its unique facts—facts which are in no way present here—demonstrates why the *Tam* majority erred when it relied on *Riley*.

In *Riley*, the underlying speech was expressive, such that its nature was unchanged by the addition of a commercial disclosure. 487 U.S. at 796. Here, by contrast, the underlying speech—the name of a provider of music and music performances—serves first and foremost as a trademark, which is inherently and solely commercial in nature. Mr. Tam's voluntary[9] addition of an expressive connotation does not change the principal purpose of his music group's name: to identify the source of goods and services the group provides. Thus, treating a trademark as commercial speech is consistent with *Riley*.

This is especially true because trademark law is not designed to protect the expressive component of a trademark. Trademark law consistently *distinguishes* between the commercial source-identifying function of a mark, which is protected, and the expressive component, which is not.[10]

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[9] Mr. Tam voluntarily adds this connotation to his mark. The word "slants" does not communicate Mr. Tam's intent to "reclaim" the derogatory term. The reclamation message is based on collateral explanations and commentary that Mr. Tam adds on.

[10] Purely informational words or slogans typically do not qualify for trademark protection. McCarthy § 3:3.20. "This is especially true of words or slogans that primarily or solely convey an informational or promotional message. Even when prominently displayed, such informative words

Thus, generic words cannot serve as marks. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) ("[G]eneric marks—those that 'refe[r] to the genus of which the particular product is a species,' . . . are not registrable as trademarks." (second alteration in original) (citations omitted)). Similarly, "merely descriptive" words are not registrable as trademarks, 15 U.S.C. § 1052(e), unless they acquire distinctiveness by virtue of long use and consumer recognition, *id.* § 1052(f), and even then are subject to the right of others to make fair use of the ordinary meaning of the words. *Two Pesos*, 505 U.S. at 769; *see also KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122 (2004) (finding "no indication that the [Lanham Act] was meant to deprive commercial speakers of the ordinary utility of descriptive words"). In many other ways, the trademark jurisprudence carefully avoids extending trademark protection to a mark's expressive message.[11]

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may not perform the job of identifying [a] source." *Id.*

[11] The Lanham Act expressly excludes from liability many non-trademark uses, including descriptive and nominative fair use, "all forms of news reporting and news commentary" and "any noncommercial use of a mark." 15 U.S.C. § 1125(c)(3) (involving dilution claims); *see also id.* § 1115(b)(4) (providing affirmative defense for descriptive use "otherwise than as a mark").

As a result of the distinction from the commercial component of a mark, the addition of an expressive component does not change "the nature of the speech taken as a whole." *Riley*, 487 U.S. at 796. Accordingly, Mr. Tam's insistence that he is reclaiming the derogatory connotation of the word "slants" does not alter the nature of the mark as a whole.

Nor are the expressive and commercial connotations of the SLANTS trademark "inextricably intertwined." To paraphrase this Court in *Fox*: No law of man or of nature makes it

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Numerous cases recognize that noncommercial uses of a mark do not infringe. *See, e.g., Radiance Found., Inc., v. NAACP*, 786 F.3d 316, 331-32 (4th Cir. 2015) (reversing injunction against use of "National Association for Abortion of Colored People" and holding this use of the NAACP mark was a noncommercial use of the mark). Use of a mark in an artistic work, especially a title, enjoys First Amendment protection. *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1099 (9th Cir. 2008) (alterations in original) ("An artistic work's use of a trademark that otherwise would violate the Lanham Act is not actionable 'unless the [use of the mark] has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless [it] explicitly misleads as to the source or the content of the work.'" (citing *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989))).

impossible to name a musical group without making a social statement on bigotry, or to make a social statement on bigotry without naming a musical group. Nothing in Section 2(a) prevents Mr. Tam from conveying, or his audience from hearing, his social message.

In sum, this Court consistently has rejected efforts to apply strict scrutiny merely because the commercial speech at issue also included private speech, even when that private speech related "to public concerns with the environment, energy, economic policy, or individual health and safety." *Central Hudson*, 447 U.S. at 562 n.5. Here, adding a social message to what is inherently commercial speech warrants no different result. Accordingly, the Federal Circuit erred in applying strict scrutiny.

C. Strict Scrutiny Is Not Necessary Because There Is No Risk of Suppressing Unfavorable Speech Entirely

Strict scrutiny is warranted when there is viewpoint discrimination and the government is suppressing speech it does not favor. But denying a trademark registration does not create any meaningful risk that speech will be suppressed entirely. Any slight incidental burden on speech does not warrant strict scrutiny.

The denial of the registration does not prevent Mr. Tam from using the term "slants," either generally or as a mark. In *In re McGinley*, 660 F.2d

481, 484 (C.C.P.A. 1981), the court held that the denial of a trademark registration did not raise any First Amendment concerns because the government did not prevent the trademark owner from using his mark.[12] Although the absence of a complete bar on speech does not avoid the First Amendment issue entirely, it does affect the degree of scrutiny: if the purpose of strict scrutiny is to provide maximum protection against the suppression of speech, then the minimal risk of suppression should reduce the need for strict scrutiny.

The Federal Circuit held that, even though Mr. Tam remains free to express his message, the denial of registration has a chilling effect on free speech. The court asserted that people are less likely to adopt marks that cannot be registered, and, further, that this preference for registrable marks will chill free speech. *See Tam*, 808 F.3d at 1339–44.

This potential burden on free speech does not justify strict scrutiny. Given the undeniable value of a trademark registration, it is reasonable to assume that the "may disparage" provision causes some trademark owners to use and seek to *register*

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[12] *See also Tam*, 808 F.3d at 1368-70 (Dyk, J. concurring in part and dissenting in part); *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 455-57 (E.D. Va. 2015), *appeal docketed*, No. 15-1874 (4th Cir. Aug. 6, 2015).

a non-disparaging commercial symbol instead of a potentially disparaging one—but there is no basis for the additional assumption that this hypothetical applicant will otherwise abandon the message conveyed by a potentially disparaging mark. Certainly, the significance of any chill is unknown.[13] Most importantly, INTA does not propose to ignore any assumed chilling of speech, but rather to test it against the standards historically applied to commercial speech. Where, as here, it is "exceedingly unlikely" that a law will burden a fundamental right, there is no call for strict scrutiny. *Lyng v. Int'l Union, UAW*, 485 U.S. 360, 365 (1988); *Davenport v. Washington Educ. Ass'n*, 551 U.S. 177, 188 (2007) ("And we have identified numerous situations in which that risk [of driving certain ideas or viewpoints from the marketplace] is inconsequential, so that strict scrutiny is unwarranted.").

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[13] INTA has not been able to verify, much less quantify, any chilling effect. Mr. Tam began using THE SLANTS as a mark in 2006, but waited until 2010 to apply for a federal registration. He presumably continues using "Slants" as a band name without the benefit of a registration. The *Tam* majority cites to a catalogue of amicus briefs, none of which support the contention that there is chilling of speech. 808 F.3d at 1341.

III. A TRADEMARK REGISTRATION IS NOT GOVERNMENT SPEECH

A. Issuing a Trademark Registration Is Not Expressive Activity

As the Federal Circuit properly determined, trademark registrations do not constitute government speech and thus are not beyond the scope of constitutional protection. 808 F.3d at 1345-48. The hallmark of government speech is that the government itself has engaged in "expressive conduct" to convey a particular message. *See Walker v. Tex. Div., Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239, 2251 (2015); *Pleasant Grove City v. Summum*, 555 U.S. 460, 474 (2009). As shown below, the registration of a trademark—like the issuance of a permit or granting of a license—does not convey any expressive message by the government, but instead merely is an exercise of a regulatory function.

Trademark registrations do not bear any of the indicia of government speech that this Court has identified in its prior jurisprudence. For example, in *Walker*, this Court ruled that the designs on specialty state license plates constituted government speech. 135 S. Ct. at 2253. Crucial to this determination were the facts that Texas *required* all motor vehicles to display valid license plates issued by the state and that the state *owned* all license plate designs, "including the designs that Texas adopt[ed] on the basis of proposals made by private individuals and organizations." *Id.* at 2244, 2248. As a result, Texas maintained "direct control

over the messages conveyed" by license plates. *Id.* at 2249. This Court further observed that states long have used license plates "to urge action, to promote tourism, and to tout local industries," *id.* at 2248, all of which "'are meant to convey and have the effect of conveying a government message.'" *Id.* at 2251 (quoting *Summum*, 555 U.S. at 472).

Similarly, in *Summum*, this Court ruled that monuments on government property constituted government speech. "By accepting a privately donated monument and placing it on city property, a city engages in expressive conduct . . . ." *Summum*, 555 U.S. at 476. The placing of a monument on government property constitutes speech by the government "because it wishes to convey some thought or instill some feeling in those who see the structure." *Id.* at 470; *see also Johanns v. Livestock Mktg. Ass'n*, 544 U.S. 550, 562 (2005) (finding government speech doctrine applicable where government "sets the overall message to be communicated and approves every word that is disseminated").

A trademark registration, by contrast, does not constitute expressive government activity, but rather "is a regulatory activity." *Tam*, 808 F.3d at 1346. The registrant—not the government—creates and selects the trademark it uses in commerce. And the registrant—not the government—retains ownership of the trademark and directly controls how that mark is used and what, if any, message the mark communicates. Thus, as the *Tam* majority properly observed,

"[w]hen the government registers a trademark, the only message it conveys is that a mark is registered." *Id.*; *see also* McCarthy §§ 19:2 (observing that the federal register serves "as a centralized and efficient national list of marks" and provides notice to potential users of existing similar marks); 19:3 ("Although a federal registration gives the owner of a mark very important and valuable legal rights and benefits, the registration does not create the trademark.").

Unlike license plates, trademark registrations are not mandated by the government as a prerequisite to the use of a mark. Indeed, a trademark owner may use the same mark and convey the same message regardless of whether that mark is registered. *See Tam*, 808 F.3d at 1333 (observing that "refusal to register a mark under § 2(a) does not bar the applicant from using the mark").

Nor do the facts that the government publishes lists of all trademark registrations, issues certificates of registration, or permits registrants to use the ® symbol[14] demonstrate that the government is engaging in expressive speech relating to the registered mark. Issuing a registration does not convert third-party speech

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[14] Owners of unregistered marks often utilize the ™ symbol, which—like the ® symbol—informs consumers that the owner is asserting trademark rights. *See* McCarthy § 19:148.

into government speech. *Id.* at 1346-47. Rather, the registration of a trademark on the principal register merely provides third parties with "constructive notice of the *registrant's* claim of ownership thereof." 15 U.S.C. § 1072 (emphasis added).

B. The Public Does Not Associate Registered Trademarks with Any Expressive Government Activity

Because the government's role in registering a trademark is regulatory, registration does not cause the public to associate any particular mark with the government. Even the TTAB has previously recognized that "the act of registration is not a government imprimatur or pronouncement that the mark is a 'good' one in an aesthetic, or any analogous, sense." *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216, 1219 n.3 (T.T.A.B. Mar. 3, 1993); *see also Tam*, 808 F.3d at 1347 (quoting same). Indeed, the entire purpose of a trademark—identifying the mark's *owner* as the source of goods or services—is "antithetical to the notion" that consumers would associate a particular registration with the government. *Tam*, 808 F.3d at 1345.

By contrast, license plates, state flags (registration of which is prohibited by Section 2(b) of the Lanham Act), and public monuments constitute government speech in part because, as vehicles for speech in which the government actively participates, they "'are often closely identified in the public mind with the [State].'" *Walker*, 135 S. Ct. at 2248 (alterations in original)

(quoting *Summum*, 555 U.S. at 472); *see also Summum*, 555 U.S. at 487 (Souter, J., concurring) (suggesting that analysis should focus on "whether a reasonable and fully informed observer would understand the expression to be government speech, as distinct from private speech the government chooses to oblige").

As the Federal Circuit observed, the government performs numerous ministerial activities that neither constitute expressive activity by the government, nor imply government endorsement of the registration or permit at issue.[15] *Tam*, 808 F.3d at 1346. The fact that the government has final approval authority over such activities—including issuing permits for street parades, granting medical, hunting, fishing or driver's licenses, or recording property titles, birth certificates or articles of incorporation—does not mean that it is engaging in speech by exercising such authority. *Id.* at 1348. "To conclude otherwise would transform every act of government registration into one of government speech and thus allow rampant viewpoint discrimination." *Id.*

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[15] Just as registration of "Just Do It" (Reg. No. 1,875,307) does not constitute government endorsement of Nike or the call to athletic accomplishment encouraged by that mark, registration of the "SLANTS" mark would not constitute government endorsement of Mr. Tam or any message conveyed by his mark.

IV. SECTION 43(A) IS AVAILABLE TO ENFORCE RIGHTS IN DISPARAGING MARKS

Regardless of whether the disparagement provision of Section 2(a) of the Lanham Act passes constitutional muster, owners of unregistrable trademarks may still seek relief under Section 43(a). In footnote 11 of its opinion, the Federal Circuit erroneously contended that "it is not at all clear" that the owner of a trademark denied registration under Section 2(a)'s disparagement provision can bring a claim for unfair competition under Section 43(a). *Tam*, 808 F.3d at 1344 n.11. To the contrary, Section 43(a) of the Lanham Act is—and has always been—available to protect all designations of origin, even those that cannot be registered under Section 2(a). This Court should correct the Federal Circuit's error.

Section 43(a) broadly protects "designation(s) of origin," and makes no distinction between marks that are registered or unregistered. 15 U.S.C. § 1125(a)(1). *All* designations of origin that are inherently distinctive or have acquired distinctiveness (and, for trade dress, that are not functional) are entitled to the full protections of Section 43(a), regardless of whether they "may disparage."

As explained below, the legislative history of the Lanham Act reveals that Congress intended to ratify and codify numerous court decisions that broadly interpreted Section 43(a) to protect designations that could not be registered as trademarks. The Federal Circuit ignored this

history in concluding otherwise. And none of the cases the Federal Circuit cited to support its comment regarding Section 43(a) involved a term that was denied registration as disparaging. INTA respectfully urges this Court to correct this error, to avoid having that dicta cited in future cases.

A. The Text of Section 43(a) Does Not Limit Protection to Registrable Marks

The Federal Circuit quoted *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992), for the proposition that "the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a)." But this statement merely conveys the unremarkable principle that a term must have source-identifying properties in order to be federally registered or form the basis of a Section 43(a) claim.

Nothing in the text of Section 43(a) supports the broader claim (as the Federal Circuit suggested) that a term must satisfy all "qualifications" of registrability to be protected under Section 43(a). The term "qualifying" does not appear in Section 43(a), and the Federal Circuit's generalizations overlook that Section 2 is by its terms limited to rules governing registration of "trademarks" rather than protection of "designations of origin." Section 2 is entitled "Trademarks registrable on principal register; concurrent registration" and begins thus: "No

trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless . . .." 15 U.S.C. § 1052.

Section 43(a), by contrast, protects designations that are not registered or registrable. It does not use the terms "trademark" or "mark," both of which are explicitly defined in Section 45, but uses the much broader phrase "designation of origin." Nor does Section 43(a) exclude from protection marks that "may disparage," something Congress clearly knew how to articulate were that its intention.

To the contrary, Section 43(a) makes it actionable to use "*any* word, term, name, symbol, or device, or *any* combination thereof, or *any* false designation of origin, false or misleading description of fact, or false or misleading representation of fact." *Id.* § 1125(a)(1) (emphases added). It does not contain any exclusions comparable to those in Section 2(a) or any express declaration that a designation of origin must "qualify" for registration.

The legislative history of Section 43(a) confirms that Congress chose the term "any" to broaden the scope of protection provided under Section 43(a). The current text of Section 43(a) is a product of the Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (effective Nov. 16, 1989). Prior to these amendments, Section 43(a) created a civil action for use of "a false designation of

origin."[16] The 1988 amendments changed the text to create liability for the use of "*any* word, term, name, symbol, or device, or *any* combination thereof, or *any false designation of origin*." 15 U.S.C. § 1125(a)(1) (emphasis added). This unambiguously broad language affords no support for the argument that protection under Section 43(a) is only available if all of the trademark registration strictures of Section 2 are met.

At the time of the 1988 amendments, Congress was well aware that courts were broadly interpreting Section 43(a) to protect unregistered marks. As Professor McCarthy noted, "[s]everal courts have held that Lanham Act § 43(a) is a remedial statute that should be broadly construed." McCarthy § 27:8. Nonetheless, rather than narrow the terms that could be protected, Congress used language that emphasized the broad scope of Section 43(a).

Indeed, as a supporting Senator explained, the 1988 legislation "amends the language of section 43(a) of the Lanham Act to *conform it to the*

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[16] Prior to November 16, 1989, Section 43(a) read: "Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, *a false designation of origin*, or any false description or representation . . .." 15 U.S.C. § 1125(a) (1988) (emphasis added).

expanded scope of protection it has been given by the courts."[17]

B. Courts Have Routinely Permitted Section 43(a) Claims to Proceed for Unregistrable Marks

We are aware of no court—in more than fifty years of Section 43(a) jurisprudence—holding that a "designation of origin" cannot be protected under Section 43(a) if Section 2(a) bars its registration. On the contrary, numerous decisions have extended Section 43(a) protection to designations that are not registrable.

For example, trade names cannot be registered as trademarks, *see* McCarthy § 9:13, but they can be protected under Section 43(a). *See, e.g., Accuride Int'l, Inc. v. Accuride Corp.*, 871 F.2d 1531, 1534, 10 U.S.P.Q.2d 1589, 1591 (9th Cir. 1989); McCarthy § 27:15. Likewise, single book titles are not registrable as trademarks, but may be protectable under Section 43(a) if they have acquired secondary meaning. *See Re v. Smith*, 77 U.S.P.Q.2d 1858, 1858 n.1 (D. Mass. 2005) (citing *EMI Catalogue P'ship v. Hill, Holliday, Connors,*

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[17] 134 Cong. Rec. 5864, at 5869 (1988) (statement of Sen. Dennis DeConcini), *reprinted in* U.S. Trademark Ass'n, The Legislative History, Reports, Testimony, and Annotated Statutory Text: The Trademark Law Revision Act of 1988 (Public Law 100-667), at 141 (1989) (emphasis added).

Cosmopulos Inc., 228 F.3d 56, 63 (2d Cir. 2000)); *Sugar Busters LLC v. Brennan*, 177 F.3d 258, 269 (5th Cir. 1999).

Sugar Busters LLC v. Brennan is instructive. The authors of a popular diet book entitled "Sugarbusters" brought a Section 43(a) action to enjoin the defendants' "Sugar Bust for Life" book. The defendants responded with an argument structurally identical to the Federal Circuit's argument here: that, if a mark is not registrable under Section 2(a), then it cannot be protected under Section 43(a). *Sugar Busters*, 177 F.3d at 267. But the Fifth Circuit disagreed, holding that Section 43(a) is available even if the title could not be registered. *Id.* at 269.

Courts have consistently adopted a broad view of Section 43(a) as a catchall remedy for any word or term likely to cause confusion. They have done so without requiring that the term at issue adhere to the strictures of registration, and without any express cross-linkage to registrability. Accordingly, the position expressed in the Federal Circuit's commentary cannot be squared with Section 43(a) jurisprudence.

C. None of the Cases Relied Upon by the Federal Circuit Involved a Mark Challenged, Let Alone Found Unregistrable, Under Section 2(a)

None of the three cases on which the Federal Circuit relied considered—let alone addressed—whether a mark not registrable under Section 2(a) nevertheless may be protected under Section 43(a). For example, in *Two Pesos*, this Court considered whether "trade dress that is inherently distinctive is protectable under § 43(a) without a showing that it has acquired secondary meaning." 505 U.S. at 767. The Federal Circuit relied on this Court's observation that "§ 43(a) protects qualifying unregistered trademarks and . . . the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a)." *Id.* at 768. But the *Two Pesos* language was taken entirely out of context.

The "for the most part" qualifier in the language quoted by the Federal Circuit reflects that not all principles governing registrability of marks in Section 2 apply to common law rights. Moreover, the only "general principles" at issue in *Two Pesos* concerned whether trade dress was *distinctive* for purposes of source-identification, and thus protectable under Section 43(a). *See id.* at 768-69. These principles establish that only a distinctive, source-identifying mark is protectable and thus, distinctiveness is a prerequisite both to Section 2

registration and to relief under Section 43(a). The opinions in *Two Pesos* and *Yarmuth-Dion, Inc. v. D'ion Furs, Inc.*, 835 F.2d 990, 992 (2d Cir. 1987), merely reiterate those principles without ever addressing whether Section 43(a) protection is available for marks deemed unregistrable under Section 2(a).

The district court in *Renna v. County of Union*—which addressed Section 2(b), not Section 2(a)—made the same misinterpretation of *Two Pesos* as the Federal Circuit here. *See* 88 F. Supp. 3d 310, 320-21 (D.N.J. 2014). Indeed, Professor McCarthy criticized the conclusion in *Renna* that unregistrable marks are not actionable under Section 43 by flatly observing "[t]here is no statutory or case law support for such a view." McCarthy § 19:78 n.4; *see also Bros. of the Wheel M.C. Exec. Council, Inc. v. Mollohan*, 909 F. Supp. 2d 506, 542 (S.D. W. Va. 2012) (although mark incorporating the American flag was not registrable under Section 2(b), it could still be protected under Section 43(a)). Like the district court in *Renna*, the *Tam* majority improperly treated registrability of a mark as a prerequisite to protectability generally. But registration or registrability has never been held to be a prerequisite to protection under Section 43(a), and there is nothing in the Lanham Act to suggest otherwise. As noted above, distinctiveness is the hallmark of protectability and the prerequisite both for Section 43(a) protection *and* Section 2 registration.

Accordingly, the Court should confirm that Section 43(a) is available to protect all distinctive

designations of origin, including those that cannot be registered under Section 2(a).

CONCLUSION

For the foregoing reasons, the Court should conclude that trademarks are commercial speech and governmental regulations thereon are subject to intermediate scrutiny, but also rule that the "may disparage" provision of Section 2(a) of the Lanham Act, as drafted, is unconstitutional.

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